

REPORTER'S RECORD
VOLUME 1 OF 1

TRIAL COURT NO. 24-07-11639-CV

DUSTIN ETTER, ALLIANCE) IN THE DISTRICT COURT OF
ENERGY PARTNERS, LLC, ET)
AL)
VS.) MONTGOMERY COUNTY, TEXAS
JEROD P. FURR, CORINA)
FURR, ALLIANCE FARM &)
RANCH LLC, ET AL) 457TH JUDICIAL DISTRICT

(HEARING)

On the 6th day of September, 2024, the
following proceedings came on to be heard in the
above-entitled and numbered cause before the Honorable
Vincent Santini, Judge presiding, held in Conroe,
Montgomery County, Texas:

Proceedings reported by Oral Stenography and
Computer-Assisted Transcription.

A P P E A R A N C E S

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1 reduction in debt.

2 Q. Really.

3 A. The -- what --

4 MR. BAYS: I'll pass the witness, Judge.

5 MR. HENLEY: No more questions, Your Honor.

6 THE COURT: All right. Thank you so much,

7 Mr. Etter.

8 THE WITNESS: Thanks.

9 THE COURT: Do you have more witnesses,
10 sir?

11 MR. HENLEY: I'd like to call Jerod Furr,
12 Your Honor.

13 THE COURT: Okay. Mr. Furr?

14 Mr. Furr, can I get you to raise your right
15 hand.

16 (WITNESS SWORN)

17 THE COURT: All right. Thank you so much.

18 JEROD FURR,
19 having been first duly sworn, testified as follows:

20 DIRECT EXAMINATION

21 BY MR. HENLEY:

22 Q. Mr. Furr -- let me get that on. Sorry.

23 Mr. Furr, are you the sole member of
24 Alliance Farm & Ranch LLC?

25 A. Yes.

1 Q. Okay. And when did you set that up?

2 A. March of 2022.

3 Q. Okay. Why did you set that up?

4 A. I set it up to purchase the property at 5450
5 Honea-Egypt Road.

6 Q. Okay. But you didn't inform Mr. Etter that
7 you were setting that up to purchase the property, did
8 you?

9 A. Originally, we had talked about buying the
10 property in the company's name and we were doing all of
11 these deals forming -- forming the company, I was
12 advised by the attorney at the time not to own property
13 in the company.

14 Q. Okay. But did you tell Dusty Etter that you
15 were purchasing this property with partial funds from
16 the company and putting it in an LLC that you own?

17 A. I did tell him that.

18 Q. When did you tell him that?

19 A. Sometime after the transaction, maybe 30 days.

20 Q. Okay. So did you this transaction and then
21 you told him about it after it was too late?

22 A. I don't -- I told him after the fact.

23 Q. Okay. Had you taken any steps to -- to -- is
24 it your contention that 5450 Honea-Egypt is your
25 property or is it company property?

1 A. It belongs to Alliance Farm & Ranch LLC.

2 Q. Okay. So it's essentially your company;
3 correct?

4 A. That's correct.

5 Q. Okay. It's your property that you claim as an
6 individual; is that correct?

7 A. Through an LLC that I own.

8 Q. So do you own the shop -- the company shop?

9 A. Yes.

10 Q. As an individual?

11 A. As an entity that -- I own the entity that
12 owns it. I'm the sole owner of the entity.

13 Q. You -- you've stated earlier that there is a
14 debt on the company books; is that correct?

15 A. That's correct.

16 Q. Okay. Is there a written note?

17 A. No. We don't have a written note. I just
18 told the accountants at the time that it was a loan.

19 Q. Okay. So just on some piece of paper, you
20 wrote that it's a loan.

21 A. I told our accountants, our CPA, to put it on
22 the books as a loan that I owe back to the company.

23 Q. Okay. And so isn't a note evidence of debt?

24 A. I would say, sitting --

25 MR. BAYS: Objection, Judge. That calls

1 for a legal conclusion by this witness.

2 THE COURT: Overruled.

3 Q. (BY MR. HENLEY) How do you have -- you've
4 done lots of paperwork here. You've got lots of
5 documents. You brought all kinds of stuff to court
6 today. How come you haven't provided a note to the
7 company that you owe a million dollars back to the
8 company?

9 A. I just haven't.

10 Q. Does that document exist?

11 A. No.

12 Q. Are you willing to do one?

13 A. Certainly. It sits on -- it sits on the
14 balance sheet. It hasn't been removed from the balance
15 sheet.

16 Q. Okay. But have you -- did you bring a Deed of
17 Trust securing that note in the real estate today?

18 A. No.

19 Q. Does one exist?

20 A. No.

21 Q. So don't you think it might alleviate some of
22 Dusty Etter's concerns if he has formal documents and
23 there is a note that evidences this debt, that you're
24 going to actually pay the million dollars back to the
25 company, not just sell it and put it in your own pocket?

1 COUNTY OF MONTGOMERY)


2 STATE OF TEXAS)

3 I, Christina Cooksey, Deputy Official Court
4 Reporter in and for the 457th District Court of
5 Montgomery County, State of Texas, do hereby certify
6 that the above and foregoing contains a true and correct
7 transcription of all portions of evidence and other
8 proceedings requested in writing by counsel for the
9 parties to be included in this volume of the Reporter's
10 Record, in the above-styled and numbered cause, all of
11 which occurred in open court or in chambers and were
12 reported by me.

13 I further certify that this Reporter's Record
14 of the proceedings truly and correctly reflects the
15 exhibits, if any, admitted, tendered in an offer of
16 proof, or offered into evidence.

17 I further certify that the total cost for the
18 preparation of this Reporter's Record is \$1,039.55 and
19 was paid by Gauntt Koen Binney & Kidd, LLP.

20 WITNESS MY OFFICIAL HAND this the 12th day of
21 October, 2024.

22 

23 Christina Cooksey, Texas CSR No. 12981
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